



# MONTANA LEGISLATIVE BRANCH

## Legislative Fiscal Division

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Legislative Fiscal Analyst  
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To: Legislative Finance Committee

From: Taryn Purdy  
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RE: Restructuring the Long-Range Planning Subcommittee

In an effort to provide maximum staff support to subcommittees during the legislative session, staff have been contemplating how best to assign responsibility for the various functions examined by the Long-Range Planning Subcommittee. This paper is intended to provide a focus for committee discussion of and feedback on the current alignment of the Long Range Planning Subcommittee and its staffing, and potential changes to that alignment and/or staff assignment.

### Current Assignment and Alignment

Currently, the Long Range Planning Subcommittee examines the following general areas:

- 1) Capital construction and repair (cash and bonding), including information technology bonding;
- 2) The State Building Energy Conservation Program, which funds energy efficiency projects through general obligation bonds;
- 3) the Treasure State Endowment Program (TSEP), which provides grants to communities for infrastructure improvements such as water systems through a portion of coal severance tax collections;
- 4) Resource Indemnity Trust (RIT) grants and loans. The grants and loans, which are funded from a portion of Resource Indemnity and Groundwater Assessment (RIGWA) collections and RIT interest earnings, fund a variety of projects related to reclamation and renewable resource conservation, development, management, and preservation;
- 5) the Culture and Aesthetic (C&A) trust grant program, which provides grants to communities and other entities through the Montana Arts Council for arts-related activities; and
- 6) the Oil Overcharge Program, which provides grants of funds available from the federal government as a result of a court ruling against certain oil producers. The funds must be used in a manner consistent with federal court orders.

The subcommittee's duties may be grouped into two categories: 1) capital projects, information technology, and state energy conservation bonding, as well as capital projects cash projects; and 2) various grant programs, wherein the legislature makes the final determination of grant and loan recipients.

A staff member from the Legislative Fiscal Division provides committee staffing for all six programs. There are number of advantages and disadvantages to this committee assignment and type of staffing:

- 1) Staff provides continuity of support, and is available to meet changes in the committee's focus or schedule. However, expertise on the particular funding sources or underlying programs may lie with other staff.
- 2) Subcommittee workload is more evenly distributed, and the long range planning subcommittee specializes in grant programs. However, the staff and the subcommittee may not be have or be able to acquire a holistic view of the funding and overall program.

## Potential Reassignment and Realignment

The initial approach by the Legislative Fiscal Division was to examine how staffing patterns might address some of the issues involved. This question led to a further question about the alignment of subcommittee responsibilities.

### Reassignment of Staff

Internal discussions within the Legislative Fiscal Division have raised the issue of whether the advantages of providing the legislature with a more integrated approach to staffing of all functions within an assigned agency and funding source are such to warrant a switch in Long Range Planning Subcommittee staffing patterns. Specifically, the Legislative Fiscal Division seeks input from the LFC on whether expenditure analyst staff with responsibility for the administering agencies' budgets should also provide staff support for the determination of grants administered by those agencies. Within the grant programs currently heard by the Long Range Planning Subcommittee, the following argue for overall consolidation of duties:

- Cultural and Aesthetic grants – the source of funding is linked to funding the operation of the Montana Arts Council, which prioritizes and screens the grant applications.
- RIT grants – analysis and most effective and helpful staffing comes from a knowledge of the RIT laws and all of the factors that influence the accounts. This knowledge most efficiently resides in the analyst for the Department of Natural Resources and Conservation, where most of the non-grant expenditures from the various RIT accounts are made, and with whom the responsibility for in-depth RIT knowledge and analysis lies. While the overall level of grants is set in statute, this level is a policy decision that depends on a number of factors and priorities.
- TSEP grants – these grants are very similar to one type of the RIT grants. Therefore, staff expertise in these grants is similar to overall staff expertise for the purpose of RIT grants.

While some efficiency of staff expertise would be gained, the increase is tempered with the issue of whether an undue disruption of provision of service would occur if there is a reduced consistency and potential availability of staff for the Long Range Planning Subcommittee.

If staff assignments were to be adjusted, the following assignments would be made:

- the analyst assigned to the Departments of Environmental Quality and Natural Resources and Conservation would be assigned the RIT grants and loans, TSEP grants, and the oil overcharge programs;
- the analyst assigned to the Montana Arts Council would be assigned the C&A grants; and
- the analyst currently assigned to the entire Long Range Planning Subcommittee would specialize in cash and bonding capital projects (this analyst is also assigned to the revenue estimating section).

### Realignment of Subcommittee Responsibility

The question of how to best staff legislative work on grant programs led to an examination of subcommittee alignment. The Legislative Fiscal Division seeks further input and feedback from the LFC on current subcommittee alignment and whether an adjustment is warranted.

There are two primary issues relating to potential realignment of subcommittee responsibility: 1) what role would the Long Range Planning Subcommittee undertake; and 2) could the other subcommittees handle the increased workload?

### Role of the Long Range Planning Subcommittee

Reassignment of some or all of the grant programs currently heard by the Long Range Planning Subcommittee presents both opportunities and challenges as to that subcommittee's role in the legislative appropriations process.

- Should this subcommittee continue to be the prime repository of grant expertise? Is overall grant expertise within the legislative appropriations process necessary and/or desirable?
- Is it desirable to have the Long Range Planning Subcommittee have additional time to spend on capital projects or to take on emerging or other issues?
- Should other subcommittee functions be transferred to this subcommittee to even out the workload?

### Could the Other Subcommittee Handle the Increased Workload?

Whether the other subcommittees could handle the additional workload hinges on two questions:

- 1) What level of public participation in the grant hearing process would be expected and/or desired?
- 2) Would further alignment of a subcommittee's assigned agencies be necessary or desirable?

### **Public Participation**

Currently, the Long-Range Planning Subcommittee spends several weeks on hearings for the Cultural and Aesthetic, RIT, and TSEP grant programs. This time is expended in part because the legislature has assumed the role of final arbiter of the disposition of the grants, and consequently provides opportunity for public input into that decision.

There are essentially two ways of approaching the provision of grants and loans. Both options are used in Montana, and both involve the establishment (generally in statute) of criteria for the examination, prioritization, and awarding of grants and loans:

- 1) have the legislature continue to be the final arbiter and make the final decision on grant and loan recipients; or
- 2) have the legislature provide specific criteria under which the respective departments that administer the RIT, C&A, and TSEP grants prioritize and administer the grant programs and confine the legislature to determining what level of overall funding will be allowed for this purpose. (Examples of this type of legislative involvement include Growth Through Agriculture, the prospective Research and Commercialization, and Board of Crime Control grants.)

If the legislature wishes to remain the final decision maker, opportunity for public participation during the legislative session becomes much more critical. Therefore, this issue primarily becomes:

- 1) whether the prospective subcommittee has time to provide this opportunity for input and, if not, what possible realignment of subcommittee workload is necessary; and/or
- 2) whether the current level of public participation is warranted or desired.

### **Further Alignment of Subcommittees' Assignment**

The bulk of additional work would fall on the Natural Resources subcommittee, which currently hears the following budgets:

- 1) Fish, Wildlife, and Parks
- 2) Environmental Quality
- 3) Livestock
- 4) Natural Resources and Conservation
- 5) Agriculture
- 6) Commerce

Prior subcommittee staff has indicated that, without a reassignment of at least one of the agencies currently heard in this subcommittee, that it would not have time to provide the opportunity for public participation currently afforded in the Long Range Planning Subcommittee. (The most likely candidate for reassignment is the Department of Commerce.)

### **Is the Current Level of Public Participation Warranted or Desirable**

A further issue for committee discussion is what level of public participation is warranted or desirable in hearing the various grant programs. Currently, the Long-Range Planning Subcommittee allows Cultural and Aesthetic grants recipients approximately one week for testimony. Treasure State Endowment Program grant recipients are provided approximately two weeks. This schedule allows all potential recipients to directly discuss with the committee their particular grant proposal. If the schedule of hearings could be reduced, either the Long-Range

Planning Subcommittee could free up more time for other issues, or either the Education or Natural Resources Subcommittee could more easily handle a reassignment.

## Points of Discussion

### Realignment of Staff

- 1) Does the committee see advantages to having staff with overall program expertise provide staff support in the long range planning committee?
- 2) Do the potential coordination of resources issues and lack of continuity of staff support present issues of committee effectiveness?
- 3) Is it feasible to have one staff assigned full-time to the subcommittee, and bring in other staff with specific account expertise when particular grant programs are discussed and acted upon?

### Realignment of Committee

- 1) Are there discernable advantages to having the same subcommittees that hear the programs funded with C&A and RIT funds also hear the grant programs funded from those same sources?
- 2) Are there advantages to providing additional time to the Long-Range Planning Subcommittee to spend on capital projects and/or other issues?
- 3) If the programs are reassigned, time constraints might necessitate a change in the level of testimony provided. Does the legislature wish to maintain its current level of involvement in the grant provision process? If so, can the public be afforded the appropriate level of input to the legislative process if the grant programs are relocated to other subcommittees? Can the amount of time spent on hearings for any of the grant programs be reduced and still allow for appropriate public participation?
- 4) Can the other subcommittees handle the additional workload of providing this opportunity for input and making recommendations to the full committee?

## Options for Action

- 1) Endorse the concept within the Legislative Fiscal Division to reassign certain staff duties currently assigned to one analyst to the analysts responsible for the general program area. Under this option the following would occur:
  - a) the analyst assigned to the Departments of Environmental Quality and Natural Resources and Conservation would be assigned the RIT grants and loans, TSEP grants, and the oil overcharge programs;
  - b) the analyst assigned to the Montana Arts Council would be assigned the C&A grants; and
  - c) the analyst currently assigned to the entire Long Range Planning Subcommittee would specialize in cash and bonding capital projects (this analyst is also assigned to the revenue estimating section).
- 2) Recommend to legislative leadership that a combination of one or more of the following program areas be reassigned to other subcommittees:
  - a) C&A grants to the Education and Cultural Resources Subcommittee;

- b) RIT grants and loans, TSEP grants, and oil overcharge grants to the Natural Resources Subcommittee.
- 3) Maintain the current subcommittee and staffing structure, but explore ways to enhance the involvement of other staff.
- 4) Maintain the current subcommittee and staffing structure, but explore ways to reduce the amount of hearings time spent in one or more of the grant programs.
- 5) Take no action.

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